

**WILDWOOD OUTDOOR  
EDUCATION CENTER, INC.  
LA CYGNE, KANSAS**

For the Years Ended December 31, 2012 and 2011  
Annual Financial Statements  
With Independent Auditors' Report  
And Supplemental Information

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.  
LA CYGNE, KANSAS**

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# **Diehl Banwart Bolton**

*Certified Public Accountants P.A.*

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Wildwood Outdoor Education Center, Inc.  
La Cygne, Kansas 66040

### **Report on the Financial Statements**

We have audited the accompanying financial statements of financial position of Wildwood Outdoor Education Center, Inc. (a nonprofit organization) as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wildwood Outdoor Education Center, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Wildwood Outdoor Education Center, Inc. has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedule of activities -- unrestricted net assets on pages 11 and 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Diehl, Banwart, Bolton, CPAs PA*

DIEHL, BANWART, BOLTON, CPAs PA

March 4, 2013

Fort Scott, Kansas

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.**  
**LA CYGNE, KANSAS**

Statements of Cash Flows  
For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Net Increase (Decrease) in Net Assets	\$9,940.21	(\$42,154.14)
Adjustments to reconcile Net Increase (Decrease) in Net Assets to Cash Provided (Used) by Operating Activities		
Depreciation	63,562.31	62,278.73
(Increase) Decrease in Accounts Receivable	98.00	490.00
Increase (Decrease) in Accounts Payable	(1,425.86)	(868.60)
Increase (Decrease) in Payroll Taxes Payable	(1,189.77)	2,652.54
Increase (Decrease) in Credit Cards Payable	2,419.46	800.76
Net Cash Provided (Used) by Operating Activities	73,404.35	23,199.29
Cash Flows from Investing Activities		
Cash Payments for the purchase of Fixed Assets	(42,895.25)	-
Net Cash Provided (Used) by Investing Activities	(42,895.25)	-
Cash Flows from Financing Activities		
Principal paid on Note Payable	(3,335.28)	(3,761.03)
Net Cash Provided (Used) by Investing Activities	(3,335.28)	(3,761.03)
Net Increase (Decrease) in Cash and Cash Equivalents	27,173.82	19,438.26
Cash and Cash Equivalents, Beginning of Year	37,310.09	17,871.83
Cash and Cash Equivalents, End of Year	\$64,483.91	\$37,310.09
Cash paid for interest expense	\$782.88	\$500.38

The accompanying notes are an integral part of these financial statements.

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.**  
**LA CYGNE, KANSAS**

Statements of Financial Position  
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$64,483.91	\$37,310.09
Accounts Receivable	-	98.00
Total Current Assets	<u>64,483.91</u>	<u>37,408.09</u>
Fixed Assets		
Land, Buildings and Improvements	2,376,160.18	2,340,784.83
Furniture and Equipment	83,526.28	76,006.38
Automobiles	85,139.82	85,139.82
Less Accumulated Depreciation	<u>(1,347,047.94)</u>	<u>(1,283,485.63)</u>
Total Fixed Assets	<u>1,197,778.34</u>	<u>1,218,445.40</u>
 TOTAL ASSETS	 <u><u>\$1,262,262.25</u></u>	 <u><u>\$1,255,853.49</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable	\$1,678.57	\$3,104.43
Payroll Taxes Payable	2,078.28	3,268.05
Credit Cards	13,354.77	10,935.31
Notes Payable	3,907.28	3,747.12
Total Current Liabilities	<u>21,018.90</u>	<u>21,054.91</u>
Non-Current Liabilities		
Notes Payable	<u>2,354.84</u>	<u>5,850.28</u>
Net Assets		
Unrestricted Net Assets	<u>1,238,888.51</u>	<u>1,228,948.30</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$1,262,262.25</u></u>	 <u><u>\$1,255,853.49</u></u>

The accompanying notes are an integral part of these financial statements.

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.**  
**LA CYGNE, KANSAS**

Notes to the Financial Statements  
For the Years Ended December 31, 2012 and 2011

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Wildwood's programs are divided into two categories for the purpose of accumulating revenues and costs. Summer Programs (Summer Adventure, WOW (Women of Wildwood), Find Yourself Leadership Camp) refer to the programs that are open enrollment, but Wildwood provides scholarships to campers. Funding for these scholarships come mainly from contracts with the school districts and community centers; donations from businesses, foundations, and individuals; and tuition fees paid by the campers and their families.

The second category includes all other programs: Outdoor School, Adventure Challenge, Summer Adventure Camp, User Groups (facility use, retreats, and reunions), Corporate Challenge, etc. These programs are funded by the related tuition charges.

All revenues and expenses are accrued to the program category to which they apply. To the extent possible, expenses are accrued directly to a program. Costs, which are difficult to allocate, are grouped in a General category.

Summary of Significant Accounting Policies

Accounting transactions are recorded on an accrual basis. Assets are recorded at cost when acquired, or in the case of gifts, at appraisal value at the date of the gift. Investments are valued at cost for financial statement presentation. Revenues are recognized when earned and expenses when the goods or services are received.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Financial Instruments are defined as cash or a contract that requires the exchange of cash or other financial instruments. Financial instruments of Wildwood consist of cash, investments, accounts receivable, and accrued expenses. The carrying amounts reflected in the statement of financial position for these instruments approximates the respective fair values due to the short maturities of these instruments.

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Fund Accounting**

To ensure observance of limitations and restrictions placed on the use of resources available to Wildwood, the accounts of Wildwood are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been recorded and reported by fund group.

The assets, liabilities, and fund balances of the Organization are reported in a self-balancing fund group as follows:

- Operating fund, which include unrestricted and restricted resources, represent the portion of expendable funds that is available for support of operations.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers cash to include all deposit accounts in banks and money market investment accounts held by brokers. Cash does not include investments with an original maturity date of over three months. Although cash deposits are sometimes in excess of limits insured by the Federal Deposit Insurance Corporation, the amount of credit risk to the Organization is considered minimal.

### **Contributions and Unconditional Pledges**

Wildwood records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions.

### **Assets and Depreciation**

Uses of operating funds for acquisitions are accounted for as capital assets. Proceeds from the sale of assets, if unrestricted, are transferred to operating fund balances, or, if restricted, to deferred amounts restricted for acquisitions. Depreciation of assets is provided over the estimated useful lives of the respective assets on a straight-line or accelerated basis.

### **Tax Exempt Status**

Wildwood is a tax-exempt organization under Section 501(c) 3 of the Internal Revenue Code.

### **Temporarily Restricted Net Assets**

Wildwood receives temporarily restricted contributions for use in the Summer Program and other programs. The restrictions are met in the year the contributions are received and, accordingly, these temporarily restricted contributions are recorded as unrestricted net assets.



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial Statement Presentation**

Wildwood reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, Wildwood is required to present a statement of cash flows.

**Totals**

Total columns on the financial statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

**NOTE 2: CASH AND INVESTMENTS**

Wildwood's cash is held in deposit accounts with cash balances occasionally in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 3: LAND, IMPROVEMENTS, EQUIPMENT, FURNITURE AND AUTOMOBILES**

Fixed assets purchased are recorded at cost. Donated fixed assets are recorded at fair market value at the date of the gift. Expenditures for renewals and improvements that significantly add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to income currently. When depreciable properties are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Fixed assets are depreciated over their estimated useful lives. Buildings and improvements are depreciated over estimated useful lives of 5 to 30 years. The useful lives of equipment, furniture, and automobiles are estimated at 2 to 10 years.

**NOTE 4: RETIREMENT PLAN**

Wildwood maintains a 401(k) employee retirement plan. Under the terms of the plan, employees may contribute from 1% to 20% of their salary to their retirement account. Wildwood matches 50% of the first 5% of the employees' contribution. In addition, Wildwood voluntarily makes discretionary contributions from net profits in an amount determined by management at the end of the year. Employees are eligible after attaining age 21 and working one year of service. Vesting is 100% after the earliest of the following dates: early retirement age 55 with certain conditions, normal retirement age of 65, date of total disability, the date of death, or after six years of service. Additional information on the plan can be obtained from the plan documents held by the plan administrator. For the years ended December 31, 2012 and 2011, expenses of \$4,183.06 and \$4,431.49 were recognized.

**NOTE 5: GREATER KANSAS CITY COMMUNITY FOUNDATION GRANTS**

Wildwood has made contributions to the Greater Kansas City Community Foundation. The money is held for the benefit of Wildwood and is restricted for capital outlays or endowment purposes. However, Wildwood has granted the Foundation the unilateral power to redirect the use of the money to another beneficiary. Accordingly, these assets are not reflected in these financial statements. As of and for the years ended December 31, 2012 and 2011, the money held by the Foundation was as follows:

	Building Fund	Endowment Fund
Balances, December 31, 2010	\$ 9,212.77	\$ 355,793.66
Contributions	-	-
Net Increase (Decrease) in Value	(593.11)	(5,088.21)
Grants to Wildwood	-	(89,000.00)
Balances, December 31, 2011	8,619.66	261,705.45
Contributions	-	-
Net Increase (Decrease) in Value	1,051.75	28,001.28
Grants to Wildwood	-	(98,000.00)
Balances, December 31, 2012	<u>\$ 9,671.41</u>	<u>\$ 191,706.73</u>

**NOTE 6: ADVERTISING EXPENSES**

During the years ended December 31, 2012 and 2011, Wildwood spent \$2,465.11 and \$2,489.08 on advertising, which is recorded as an expense on the financial statements.

**NOTE 7: NOTES PAYABLE**

Principal  
December 31, 2012

**Van Loan/Toyota Financial Services:**

Dated June 16, 2009, originally for \$18,283.50, calling for monthly payments of \$343.18 with a 4.70% interest rate. The note matures in July 2014, and is secured by the Toyota Sienna purchased.

\$ 6,262.12

Less Current Portion of Long-Term Debt

(3,907.28)

Net Long-Term Debt

\$ 2,354.84

The estimated annual principal payments for the next five years are as follows:

Year Ended December 31,	Principal	Interest	Total
2013	\$3,907.28	\$ 210.88	\$ 4,118.16
2014	<u>2,354.84</u>	<u>36.91</u>	<u>2,391.75</u>
TOTAL	<u>\$6,262.12</u>	<u>\$ 247.79</u>	<u>\$ 6,509.91</u>

**NOTE 8: SUBSEQUENT EVENTS**

Management has evaluated events and transactions occurring subsequent to December 31, 2012 through the date of the issuance of the financial statements as shown in the Independent Auditors' Report on page one of these financial statements. During this period, there were no subsequent events requiring recognition in the financial statements or disclosure in the notes to the financial statements.

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.  
LA CYGNE, KANSAS**

**SUPPLEMENTAL INFORMATION**

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.**  
**LA CYGNE, KANSAS**

Combining Schedule of Activities - Unrestricted Net Assets  
For the Year Ended December 31, 2012

	UNRESTRICTED OPERATING FUNDS					TOTAL UNRESTRICTED FUNDS
	SUMMER LEARNING	SUMMER ADVENTURE	OUTDOOR SCHOOL	OTHER	GENERAL	
<u>Support and Revenue</u>						
Tuition and fees	\$3,970.00	\$49,271.35	\$86,433.00	\$76,967.19	-	\$216,641.54
Contributions	104,350.00	-	-	100,682.92	16,473.65	221,506.57
Federal Grant	-	-	-	-	-	-
Grants from Greater Kansas City Community Foundation	20,000.00	-	-	30,000.00	48,000.00	98,000.00
Fundraising income	-	-	-	32,136.68	-	32,136.68
Interest income	-	-	-	-	7.56	7.56
Miscellaneous income	-	3,574.00	-	3,304.00	3,157.66	10,035.66
Total Support and Revenue	\$128,320.00	\$52,845.35	\$86,433.00	\$243,090.79	\$67,638.87	\$578,328.01

<u>Expenses</u>						
<u>Program Services:</u>						
Advertising and promotion	-	\$1,381.11	\$385.00	\$699.00	-	\$2,465.11
Automobile expenses	519.86	382.25	472.01	-	-	1,374.12
Bus rental	1,757.50	-	32.50	-	-	1,790.00
Food service supplies and expense	9,882.21	8,311.68	15,148.71	5,096.05	44.00	38,482.65
Health insurance and expense	463.39	70.00	-	-	-	533.39
Insurance - general	4,738.90	2,817.40	12,057.10	-	7,931.70	27,545.10
Maintenance	3,737.93	5,415.12	7,404.48	681.21	29.91	17,268.65
Professional fees	1,208.65	562.35	1,078.75	-	-	2,849.75
Office supplies and expense	1,324.12	1,040.72	416.88	649.43	-	3,431.15
Pool supplies	349.28	572.16	-	50.00	195.63	1,167.07
Program supplies and expense	703.93	3,206.36	494.09	3,740.19	596.47	8,741.04
Payroll expense	20,495.73	28,210.89	33,039.25	301.95	-	82,047.82
Staff development	719.00	250.00	-	1,340.00	82.15	2,391.15
Payroll taxes and expense	2,066.12	2,913.84	3,345.14	-	-	8,325.10
Travel expense	3,588.36	-	1,411.66	703.94	251.57	5,955.53
Postage and delivery	29.99	299.63	203.59	39.05	-	572.26
Miscellaneous expense	1,075.39	1,107.03	350.19	1,017.75	-	3,550.36
Utilities	4,728.50	1,792.61	10,529.27	-	-	17,050.38
Depreciation	-	-	-	-	61,148.96	61,148.96
Total Program Services	57,388.86	58,333.15	86,368.62	14,318.57	70,280.39	286,689.59

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.**  
**LA CYGNE, KANSAS**

Combining Schedule of Activities - Unrestricted Net Assets  
For the Year Ended December 31, 2012

	UNRESTRICTED OPERATING FUNDS					TOTAL UNRESTRICTED FUNDS
	SUMMER LEARNING	SUMMER ADVENTURE	OUTDOOR SCHOOL	OTHER	GENERAL	
Support Service:						
General administration	-	-	-	\$153.17	\$469.66	\$622.83
Automobile expense	-	-	-	50.00	5,223.90	5,273.90
Insurance	-	-	-	-	-	-
Food service supplies and expense	-	-	-	1,499.24	20,872.17	22,371.41
Health insurance and expense	-	-	-	639.86	962.05	1,601.91
Maintenance	-	-	-	-	1,324.68	1,324.68
Dues, subscriptions, fees	-	-	-	2,165.50	5,375.17	7,540.67
Professional fees	-	-	-	130.20	2,084.28	2,214.48
Office supplies and expense	-	-	-	-	-	-
Program supplies and expense	-	-	-	59,207.72	117,787.61	176,995.33
Payroll expense	-	-	-	4,791.50	9,661.07	14,452.57
Payroll taxes and expenses	-	-	-	735.00	629.19	1,364.19
Staff development	-	-	-	1,104.34	1,318.20	2,422.54
Travel expense	-	-	-	12,832.50	2,056.88	14,889.38
Internet and technology expense	-	-	-	185.85	1,104.56	1,290.41
Meetings and meals	-	-	-	318.39	-	318.39
Postage and delivery	-	-	-	2,741.96	535.11	3,277.07
Miscellaneous	-	-	-	6,742.01	1,167.28	7,909.29
Utilities	-	-	-	-	2,413.35	2,413.35
Depreciation	-	-	-	-	4,183.06	4,183.06
Retirement expense	-	-	-	-	102.39	102.39
Fundraising	4,134.50	-	-	6,995.86	177,270.61	11,232.75
Total Support Services	4,134.50	-	-	100,293.10	177,270.61	281,698.21
Total Expenses	61,523.36	58,333.15	86,368.62	114,611.67	247,551.00	568,387.80
Increase (Decrease) in Net Assets	\$66,796.64	(\$5,487.80)	\$64.38	\$128,479.12	(\$179,912.13)	9,940.21
Balance December 31, 2011						1,228,948.30
Balance December 31, 2012						\$1,238,888.51

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.**  
**LA CYGNE, KANSAS**

Statements of Activities  
For the Years Ended December 31, 2012 and 2011

	2012	2011
Support and Revenue		
Tuition and fees	\$216,641.54	\$219,211.98
Contributions	221,506.57	155,000.45
Federal grant	-	5,543.78
Grants from the Greater Kansas City Community Foundation	98,000.00	89,000.00
Interest income	7.56	6.58
Fundraising income	32,136.68	-
Miscellaneous income	10,035.66	4,402.87
Total Support and Revenue	<u>578,328.01</u>	<u>473,165.66</u>
Expenses		
Program Services:		
Instruction and student activities	286,689.59	349,491.62
Support Service:		
General administration	281,698.21	165,828.18
Total Expenses	<u>568,387.80</u>	<u>515,319.80</u>
Increase (Decrease) in Net Assets	9,940.21	(42,154.14)
Net Assets, Beginning of the Year	<u>1,228,948.30</u>	<u>1,271,102.44</u>
Net Assets, End of the Year	<u><u>\$1,238,888.51</u></u>	<u><u>\$1,228,948.30</u></u>

The accompanying notes are an integral part of these financial statements.